

COASTAL CAROLINA UNIVERSITY

BUDGET PLAN

**Fiscal Year
2008-2009**



August 30, 2007



COASTAL CAROLINA UNIVERSITY
President

August 30, 2007

The Honorable Mark C. Sanford, Jr.
Governor, State of South Carolina
P. O. Box 12267
Columbia, SC 29211

Dear Governor Sanford:

Coastal Carolina University is pleased to submit our annual Budget Request which represents the needs of our growing University. In my first year at the helm of the University many issues are being addressed.

During the time period from 1996 to 2006, CCU has experienced an 80% increase in total student enrollment. This tremendous and unparalleled growth is the basis for the priorities in our Budget Request which address the acute need for sufficient FTE allowances for additional faculty and support staff. Looking at the data for 2000-2006 and comparing CCU to the average of the Comprehensive University sector, we see a net increase in the sector of 4,476 students. CCU accounted for 3,396 students or 75.9% of the total increase in students in this sector.

Included in our submission is a capital project request for funding for renovations and additions to the Smith Science building. This continues to be our highest priority capital project.

In a period of rising tuition, it is notable that our tuition for in state students is below the average or the ten (10) universities which make up the Comprehensive University sector. In the most recent year, our tuition increase for in state students was \$50 per semester or 1.33%. As indicated in our Budget Request, this restraint on tuition increases in the future can be continued only if CCU receives a higher percentage funding of the MRR through recurring funds.

I look forward to working with you throughout this process and I hope that you will find our request in keeping with your vision for South Carolina.

Sincerely,

David A. DeCenzo
President

FISCAL YEAR 2008-09 BUDGET PLAN

I. EXECUTIVE SUMMARY

- A. Agency Section/Code/Name: H17 / 11 / Coastal Carolina University
- B. Statewide Mission: Coastal Carolina University is a state-supported comprehensive institution delivering baccalaureate and masters level education to South Carolina students. Coastal strives to provide students with an excellent education, stimulate inquiry and research, and serve the Grand Strand/Waccamaw region of South Carolina.
- C. Summary Description of Strategic or Long-Term Goals: A summary of key directives of the Strategic Plan is shown below. With a transition to new leadership, a new strategic initiative has begun, complete with a thorough organizational assessment spearheaded by the Baldrige Group of the University of Wisconsin-Stout.
 - (1) Build a predominantly undergraduate university with a reputation for excellence in teaching.
 - (2) Promote a learning process that is inquiry-based participatory, and includes current and emerging technology.
 - (3) Offer high quality academic programs founded on the arts and sciences that prepare graduates to become contributing members of a global community.
 - (4) Support a teacher-scholar model for faculty performance with emphasis on student-faculty interaction and mentoring.
 - (5) Develop graduate programs based upon strong undergraduate programming and on meeting local and regional needs.
 - (6) Promote programs and initiatives that encourage collaboration with other higher education institutions, public schools, local citizens, and the business community.
 - (7) Recruit qualified students and provide a learning environment and quality of life for these students that enhance all facets of their development and campus community experience.
 - (8) Direct administrative processes that are informed by management data, integrating financial considerations with institutional planning for maximum effectiveness and service.

D.

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.:	Title: 79.75 FTE's for FY 2008-2009	0	\$3,815,702	0	\$2,662,632	\$6,478,334	29	0	50.75	79.75
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name: No. 395, College of Business No.396, College of Education No. 397, College of Humanities & Fine Arts No. 398, College of Natural & Applied Sciences										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name:										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name:										
TOTAL OF ALL PRIORITIES		\$ 0	\$3,815,702	\$ 0	\$2,662,632	\$6,478,334	29.00	0.00	50.75	79.75

E. Agency Recurring Base Appropriation:
 State \$16,359,122
 Federal\$
 Other \$

F. Efficiency Measures:

The last year this data was available was 2004-2005, and the overall ranking for Coastal Carolina University was **Achieves**.

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Design and Construction of Science Building Activity Number & Name: 398 College of Natural Science	Project No*:	47,000,000	0	0	47,000,000
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			47,000,000	\$ 0	\$ 0	\$47,000,000

* If applicable

H. Number of Proviso Changes:

I. Signature/Agency Contacts/Telephone Numbers:



 Wilbur L. Garland
 Interim Vice President for Business Affairs
 843-349-2105

Other Contact Persons:
 Linda P. Lyerly, Associate Vice President for Finance
 843-349-2253

Stacie Bowie, Controller
 843-349-2227

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: H17 / 11 / Coastal Carolina University

B. Priority No. 1 of 1

C. (1) Title: Need for 79.75 FTE's for 2008-2009 to support existing educational programs.

(2) Summary Description: Coastal Carolina University along with other higher education institutions received MMR/Parity appropriations in 2007-2008. This request is to continue that operating funding for 2008-2009.

(3) Strategic Goal/Action Plan (*if applicable*): A financial operating goal for Coastal Carolina University is to obtain state support consistent with S.C. peer institutions as related to the size of the institution as measured by student enrollment and campus facilities.

D. Budget Program Number and Name: Agency-wide

E. Agency Activity Number and Name:

No. 395, College of Business

No. 396, College of Education

No. 397, College of Humanities & Fine Arts

No. 398, College of Natural and Applied Sciences

F. Detailed Justification for Funding

(1) Justification for Funding Increase: 29 positions are requested from State Recurring funds and 50.75 from Other.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		29.00		50.75	79.75
(b) Personal Service		\$2,235,648		\$2,072,088	\$4,094,912
(c) Employer Contributions		\$633,304		\$590,544	\$2,868,952
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		\$946,750			\$946,750
Total	\$ 0	\$3,815,702	\$ 0	\$2,662,632	\$6,478,334
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ 16,359,122
Federal \$
Other \$

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: N/A .

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

Coastal Carolina University is requesting 79.75 new FTE positions for 2008-2009. Of the 79.75 requested FTEs, 18.75 FTEs are for replacement/conversion of part-time/adjunct faculty to full-time lecturers. An additional 27 FTEs are for hiring tenure-track faculty at the assistant, associate, and professor level positions to further reduce our reliance on part time/adjunct faculty. CCU feels that this is necessary to ensure and enhance the quality of the educational opportunities afforded our students. As has been

the case in the past years, this request does not keep pace with the recent growth in student enrollment. The University continues to enjoy unprecedented growth, while also increasing the quality of its enrolled students. From Fall 2000 through Fall 2006, the comprehensive teaching institutions saw a net increase in total FTE of 6,359 in total FTE enrollment (undergraduate and graduate). Coastal Carolina University accounted for 2,842 FTE's or 44.7% of the total FTE increase in this sector. The average SAT score of entering freshmen has increased approximately 40 points over the last ten years. As a part of its strategic planning process, the University has taken steps to control the growth rate to a range of 5 to 6 percent annually. In summary, from Fall 2001 to Fall 2006, Coastal has experienced a 62% enrollment growth.

It is clear that the University has fallen behind in number of faculty and support personnel to serve its past enrollment growth. Although economy of scale can effectively absorb some enrollment growth, Coastal's core services of instruction and student support have now been stretched so thin that the additional students require more support personnel, rather than merely the addition of teaching faculty. Support services related to student counseling, health services, campus safety consideration, skilled trades, custodial and grounds staff, and the continuously increasing need for computer and information technology personnel, represent acute needs in addition to teaching faculty.

The vacancies that appear on Coastal's listing on the State Human Resources screen have been committed either for ongoing faculty searches for whom offers must be made during the current year, or for professional and support staff searches intended to be during the current fiscal year.

The funds for salaries and fringe benefits for the requested positions have been included in the proposed 2008-2009 budget submissions, and the funds are from state recurring funds and earmarked funds. Coastal's increases in revenues from earmarked funds are primarily due to several years of strong enrollment growth. Coastal's undergraduate tuition cost for South Carolina residents is approximately at the average in-state undergraduate tuition of South Carolina's public universities. Increased tuition charges to out-of-state students, as well as strong enrollment growth, continue to provide the resources to pay for the personnel required to serve Coastal's past enrollment growth.

(b) Future Impact on Operating Expenses or Facility Requirements:

The salaries for these positions will continue in future years to be primarily funded from student fees and other self-generated funds.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Lecturer (unclassified)					
(a) Number of FTEs			18.7500		18.7500
(b) Personal Service			\$1,000,000		\$1,000,000
(c) Employer Contributions			\$285,000		\$285,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Assistant Professor (unclassified)					
(a) Number of FTEs			7.0000		7.0000
(b) Personal Service			\$485,160		\$485,160
(c) Employer Contributions			\$138,270		\$138,270

	State	Federal	Earmarked	Restricted	Total
Position Title: Assistant Professor/Associate Professor/Professor (unclassified)					
(a) Number of FTEs	20.0000				20.0000
(b) Personal Service	\$1,932,850				\$1,932,850
(c) Employer Contributions	\$550,862				\$550,862

	State	Federal	Earmarked	Restricted	Total
Position Title: Athletic Coach (unclassified)					
(a) Number of FTEs	4.0000				4.0000
(b) Personal Service	\$112,000				\$112,000
(c) Employer Contributions	\$31,920				\$31,920

	State	Federal	Earmarked	Restricted	Total
Position Title: Trades Specialist IV (Band 04)					
(a) Number of FTEs			4.0000		4.0000
(b) Personal Service			\$98,540		\$98,540
(c) Employer Contributions			\$28,084		\$28,084

	State	Federal	Earmarked	Restricted	Total
Position Title: Accountant/Fiscal Analyst III (Band 06)					
(a) Number of FTEs	1.0000				1.0000
(b) Personal Service	\$50,000				\$50,000
(c) Employer Contributions	\$10,395				\$10,395

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Assistant (Band 04)					
(a) Number of FTEs			1.0000		1.0000
(b) Personal Service			\$24,635		\$24,635
(c) Employer Contributions			\$7,021		\$7,021

	State	Federal	Earmarked	Restricted	Total
Position Title: Research Specialist I (Band 04)					
(a) Number of FTEs			1.0000		1.0000
(b) Personal Service			\$24,635		\$24,635
(c) Employer Contributions			\$7,021		\$7,021

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II (Band 03)					
(a) Number of FTEs			4.0000		4.0000
(b) Personal Service			\$80,992		\$80,992
(c) Employer Contributions			\$23,083		\$23,083

	State	Federal	Earmarked	Restricted	Total
Position Title: Student Services Program Coordinator II (Band 05)					
(a) Number of FTEs			1.0000		1.0000
(b) Personal Service			\$29,975		\$29,975
(c) Employer Contributions			\$8,543		\$8,543

	State	Federal	Earmarked	Restricted	Total
Position Title: Building/Grounds Specialist II (Band 02)					
(a) Number of FTEs			3.0000		3.0000
(b) Personal Service			\$49,920		\$49,920
(c) Employer Contributions			\$14,227		\$14,227

	State	Federal	Earmarked	Restricted	Total
Position Title: Student Services Program Coordinator I (Band 04)					
(a) Number of FTEs			6.0000		6.0000
(b) Personal Service			\$147,810		\$147,810
(c) Employer Contributions			\$42,126		\$42,126

	State	Federal	Earmarked	Restricted	Total
Position Title: Information Resource Consultant (Band 05)					
(a) Number of FTEs			2.0000		2.0000
(b) Personal Service			\$59,950		\$59,950
(c) Employer Contributions			\$17,086		\$17,086

	State	Federal	Earmarked	Restricted	Total
Position Title: Media Resource Specialist I (Band 03)					
(a) Number of FTEs			2.0000		2.0000
(b) Personal Service			\$40,496		\$40,496
(c) Employer Contributions			\$11,541		\$11,541

	State	Federal	Earmarked	Restricted	Total
Position Title: Production Manager I (Band 05)					
(a) Number of FTEs			1.0000		1.0000
(b) Personal Service			\$29,975		\$29,975
(c) Employer Contributions			\$8,543		\$8,543

	State	Federal	Earmarked	Restricted	Total
Position Title: Registered Nurse I (Band 05)					
(a) Number of FTEs	2.0000				2.0000
(b) Personal Service	\$59,950				\$59,950
(c) Employer Contributions	\$17,086				\$17,086

	State	Federal	Earmarked	Restricted	Total
Position Title: Campus Planner (Band 06)					
(a) Number of FTEs	1.0000				1.0000
(b) Personal Service	\$36,476				\$36,476
(c) Employer Contributions	\$10,395				\$10,395

	State	Federal	Earmarked	Restricted	Total
Position Title: Nurse Practitioner III (Band 07)					
(a) Number of FTEs	1.0000				1.0000
(b) Personal Service	\$44,372				\$44,372
(c) Employer Contributions	\$12,646				\$12,646

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State 187.74

Federal 10.62

Other 671.97

Agency-wide Vacant FTEs as of August 22, 2007: 139.4949

% Vacant 16.03%

H. Other Comments:

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: H17 / 11 / Coastal Carolina University
- B. Priority No. 1 of 1
- C. Strategic Goal/Action Plan (*if applicable*):
- D. Project Name and Number (*if applicable*):
- E. Agency Activity Number and Name: College of Natural and Applied Science, No. 398
- F. Description of Priority: Design and Construction of Science Building
- G. Detailed Justification for Funding

(1) Justification for Funding Priority:

- (1a) Renovation/Rehabilitation of existing Cathcart Smith Science Building to modernize laboratories and classrooms and to address up-to-date health and safety codes. The estimated cost for this is \$5 million.
- (1b) Addition of 136,000 sq. ft. of new space. The estimated cost of the new construction including the estimated \$5 million cost of the architectural and engineering fees to design the building will total \$42 million.

Total estimated cost (1A and 1B) for renovating and new construction, including architectural and engineering fee costs, is \$47 million.

The proposed project includes completing the renovation of the existing 42,000 sq. ft. science building, and the addition of 136,000 sq. ft. of new space. Existing laboratories and classrooms will be modernized to address up-to-date health and safety codes. The estimated cost of the new construction, plus the required renovation of the existing building and architectural costs will total \$47 million. The estimated cost of the architectural and engineering fees to design the building are \$5 million.

Enrollment Growth: The number of majors in academic departments in the College of Natural and Applied Sciences has nearly tripled since 1988, to 1,747 majors.

Space and Safety – A Critical Need: Not only are the offices and laboratories of the Cathcart Smith Science Center filled and used to capacity, but also, because of the necessity to offer inquiry-based associated laboratories, the University has had to convert classrooms in the Smith Science Center into laboratories. This conversion of classrooms into laboratories has also been driven by the University's nationally recognized commitment to undergraduate student research integrated into the educational program.

The existing space is in deplorable condition, with an HVAC system which does not work properly, antiquated fume hoods, and major plumbing problems. A few of the most pressing safety issues have been addressed through the support of privately raised funds for renovations, as itemized at the end of this section. The massive renovations which are desperately needed can only be addressed as part of a major capital project. However, Coastal leases a 35,500 sq. ft. facility which was constructed in 1998 and utilized as a manufacturing plant to provide classrooms, office space for faculty members and support staff, and laboratory space for the science programs.

Southern Association of Colleges and Schools (SACS): In an external committee visit for reaffirmation by the Southern Association of Colleges and Schools (SACS), the University generally received very high praise from the visiting committee for its programs and services. However, of the four recommendations received, three dealt with inadequacies of physical space, and two specifically targeted the need for physical resources for the sciences. One of these two focused on health and safety concerns with the science building. Therefore, 50 percent of the visiting committee's concerns dealt with need for science facilities.

Recognition of Science Program: Coastal Carolina University's science program continues to attract international recognition following a National Science Foundation grant in 2000 for excellence in undergraduate research. This grant placed Coastal in the top ten institutions in the United States with respect to the integration of undergraduate research into the classroom. Recent advancements include a matching grant from Burroughs and Chapin that will help build an environmental research/teaching center at Waties Island. New programs within the Burroughs and Chapin Center for Marine and Wetlands Studies include grants resulting in the addition of current technology in geophysics and the addition of the Waccamaw Watershed Academy, which delivers education, research and public outreach services to the local region in the areas of wetland science and management. The Center for the Study of Aging and Active Retirement has been formed to serve the retirement community with programs in education and research. New academic programs include a major in Applied Physics and a 3+2 cooperative engineering program with Clemson University. A new emphasis in technology transfer has resulted in research funding for faculty and students by regional industries. Individual faculty members continue to bring recognition to the University by their excellence in their discipline. For example, the chair of the Department of Computer Science was recently awarded an international prize for the "most influential paper in 20 years" according to the Association for Logic Programming.

Funds Already Raised and Expended: Over the past five years, Coastal's faculty and administration have been successful in securing significant external resources and have expended them in an attempt to alleviate the science space problem. In addition, the University has allocated internal resources as matching dollars and/or has reallocated internal resources. These renovations have already been completed, and will not need to be repeated as further renovations are carried out on the existing building as a part of

the requested project. If these funds had not been received and corresponding expenditures made, the need which Coastal would be requesting for science facilities would be some \$7 million greater than the \$47 million being requested. Examples of funds expended to accommodate the growth in the science program include:

Private Fund Raising

Campaign for scientific equipment and laboratory renovation of the Smith Science Center	\$2.5 million
Creation of bio-technology facilities	\$100,000

Federal Grants

National Science Foundation infrastructure grant for renovation of chemistry laboratories (required University matching funds)	\$500,000
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Local Government Funds

Purchase and renovation of a warehouse facility for the Center for Marine and Wetland Studies	\$2.5 million
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State Appropriation

State Appropriation Supplemental for Science Building, FY 2005-06	\$500,000
State Appropriation Supplemental for Science Building, FY 2006-07	\$250,000

University Reallocation of Internal Resources

Renovation of two classrooms for computer usage and creation of Science Computer laboratories	\$45,000
Acquisition of a portable classroom/laboratory for Biology	\$50,000
Leasing of a warehouse, Coastal Science Center, for classrooms and offices	\$325,000 annually
Building refurbishing for offices and classrooms, FY 2004-05, FY 2005-06, And FY 2006-07	\$2.6 million

Institution Bond

Renovate existing instructional space to provide laboratory space for an Ecology Laboratory and a Chemistry Laboratory	\$1.3 million
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(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$47,000,000			\$47,000,000

* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.

H. Justification for First Year Additional Future Annual Operating Costs: (Additional Operational Cost from Proposed Expansion of Cathcart Smith Science Building)

(1) Will additional annual operating costs be absorbed into your existing budget? yes

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. Private gifts; student tuition and fees

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: \$241,157 Will this fiscal year require a partial or full year's operating funds? full If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				365,520	365,520
Total	\$ 0	\$ 0	\$ 0	\$ 365,520	\$365,520

Operational Cost Savings Resulting from Proposed Renovation of Existing Cathcart Smith Science Building

Coastal does expect to have some operational savings by having replaced the windows in the current science building with energy efficient windows, HVAC, and roof.

An estimated energy savings should result from the proposed renovation of the Smith Science building. The methodology used to determine the estimated energy savings follows:

Estimated/Actual Annual Fuel Cost for the Existing Science Building

Type Fuel Bill	Source	Annual kWh	Annual Dkt (dekatherm) (1 dkt=1,000,000 btu)	Fuel Cost	Annual Fuel Cost
Power	Power Bills	1,431,072	-----	\$.079/kWh	\$113,003
Natural Gas	Estimated (8% of Campus NG Bill)		2,085	\$16/dkt	\$33,360
Total		1,431,072	2,085	-----	\$146,363

Proposed Science Building Renovation Estimated Energy Savings

A.	Estimated/Actual Annual Fuel Cost for the Existing Science Building	\$146,363
B.	The estimated energy savings resulting from the proposed renovation (based on an estimated 15% energy reduction)	\$22,000
C.	Estimated annual fuel bills for the Proposed Science Building following Renovation	\$124,363

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*)

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: H17 / 11 / Coastal Carolina University

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: No. 395, College of Business	\$3,430,508	0	0	0	\$5,075,657	\$8,506,165	49.00
Activity Number & Name: No. 396, College of Education	\$2,337,718	0	0	0	\$3,458,622	\$5,796,340	40.17
Activity Number & Name: No. 397, College of Humanities & Fine Arts	\$5,580,096	0	0	0	\$8,255,782	\$13,835,878	84.82
Activity Number & Name: No. 398, College of Natural & Applied Sciences	\$5,010,800	0	0	0	\$7,411,185	\$12,421,985	82.21
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF HIGHEST PRIORITIES	\$16,359,122	\$ 0	\$ 0	\$ 0	\$24,201,246	\$40,560,368	256.20